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**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Consumer Protection and Commerce
Thursday, January 30, 2020
2:30 p.m.
State Capitol, Conference Room 329**

**On the following measure:
H.B. 2320, RELATING TO INSURANCE**

Chair Baker and Members of the Committee:

My name is Colin Hayashida, and I am the Insurance Commissioner (Commissioner) of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department supports this administration bill and requests an amendment to section 1 to correct a drafting error.

The purpose of this bill is to update and improve Hawaii Revised Statutes (HRS) title 24 (Insurance Code) in a number of areas. Specifically, this measure will do the following:

Section 1 of this bill requires, in agreements between public adjusters and insureds, contractual terms, disclosures, and a cap on commissions that adjusters may charge insureds. This mandate will reduce the potential for exorbitant commissions and unreasonable contractual terms that are unfavorable to insureds.

The Department respectfully requests amending subsection (e)(3) on page 4, lines 9 to 10 to read: "Precludes the insured from pursuing civil remedies."

Sections 2, 3, 4, and 12 of this bill establish a uniform standard of conduct agreement for various limited lines (motor vehicle rental, self-service storage, and portable electronics) that are currently not subject to uniform standards, thereby reducing the potential for consumer misinformation and harm.

Sections 5, 15, 16, 17, 18, 19, and 20 of this bill give the Insurance Commissioner authority to waive, in part or whole, or reduce fees deposited in the Commissioner's Education and Training Fund and the Compliance Resolution Fund, when expenditures are not commensurate with the fees deposited into these accounts.

Section 6 of this bill mandates electronic payment for all service fees related to extensions of certificates of authority, thereby reducing processing errors and delays in the availability of funds paid to the State.

Section 7 of this bill amends HRS section 431:7-202(f) to correctly reference the electronic system used to facilitate insurers' electronic payment of premium taxes.

Section 8 and 9 of this bill mandate electronic filing of surplus lines reports and payment of surplus lines premium taxes, thereby reducing processing errors and delays in the availability of funds paid to the State.

Section 10 of this bill replaces "premiums" with "client funds" in HRS section 431:9-230 to accurately reference that adjusters and bill reviewers handle only funds from clients.

Section 11 of this bill reinserts in HRS section 431:9-235(e) the right to an administrative hearing and appeal from an order suspending, revoking, or refusing to extend any license for any cause specified in HRS chapter 431, article 9. Act 279, Session Laws of Hawaii 2019, inadvertently deleted this due process right in all cases, and not just when the suspension, revocation, or nonrenewal stems from defaults involving student loans or scholarship contracts.

Section 13 of this bill amends the Hawaii Joint Underwriting Program Board of Governors' composition to more accurately reflect member composition commensurate with plan size and operations and to eliminate outdated and nonexistent criteria from which board members are selected.

Section 14 of this bill clarifies that rewards under certain wellness programs established under health care plans do not constitute a rebate by insurers to insureds.

In addition, the Department respectfully requests inserting the following severability clause into the bill: "If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the invalidity does not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable."

Thank you for the opportunity to testify, and we respectfully ask the Committee to pass this administration bill to provide clarity to the Insurance Code and enhance consumer protection.



ADJUSTERS INTERNATIONAL

The *right* way to settle claims®

January 29, 2020

Chair Rep. Roy M. Takumi
Committee on Consumer Protection & Commerce
Hawaii State Legislature
Hawaii State Capitol, Room 320

Re: HB 2320 / SB 2876 Testimony – SUPPORT – w/modifications

Dear CPC Committee Members:

All three of our firms are part of Adjusters International, one of the largest Public Adjusting Firms in the United States. Collectively, we have been doing business in Hawaii for over 40 years. We currently have 12 licensed adjusters in Hawaii and are currently representing clients in Hawaii. We are all members of the National Association of Public Insurance Adjusters and have several past Presidents in our firms. We have read the letters sent by Jeff Gould of NAPIA and Robert H. Joslin of Hawaii Public Adjusters. We are writing to support the concerns and recommendations put forth in those letters regarding our ability to represent insureds on a percentage basis and to not limit said percentage. In our collective 74 years as Public Adjusters it has been our experience that fee caps only make it difficult for people with smaller claims to obtain assistance. Thank you for your consideration. We are writing to support both NAPIA and Robert Joslin's positions and would ask that if a fee cap is to be enacted, it follow those that have been put into place by 30 other states.

Best regards,

Drew D. Lucurell, Esq., S.P.P.A.
Adjusters International Corporation
Hawaii License Number: 119369
Past President of NAPIA (2009)

Gordon A. Scott III, President
Greenspan Adjusters International, Inc
Hawaii License Number: 306983

Matthew Blumkin, President
The Greenspan Company





437 Liholiho Street
Wailuku, Hi 96793

Website: [www. hawaiipublicadjuster.com](http://www.hawaiipublicadjuster.com)

Phone: 808-856-3041
Fax: 888-428-2352

Date: January 29, 2020

To: Hon.Roy M. Takumi
House Committee on Consumer Protection and Commerce
Hawaii State Capitol Rooms 320

Via email to: cpctestimony@capitol.hawaii.gov

Re: **HB 2320 / SB 2876 Testimony -SUPPORT- w/modifications**

Dear CPC Committee Members,

My name is Robert Hugh Joslin and I am the President of Hawaii Public Adjusters Corp (“HPA”). Our family-owned business is located at 437 Liholiho Street, in Wailuku, Hawai‘i. Our firm is the only resident public adjusting firm with continuous Hawaii operations servicing our island communities. I have been licensed as a Public Adjuster (“PA”) by the State of Hawaii since October of 2002 pursuant to HRS Sections 431:9-201, 431:9-222 and 431:9-226. For most of my adult life, I’ve been involved in insurance and commercial development work. I have been active in Hawaii on commercial development projects dating back to 1984. In 2011, I became the first and only Hawaii resident to be designated as a Certified Professional Public Adjuster (“CPPA”) from the Insurance Institute of America (“The Institute”). The Institute remains the sole certifier of distinguished insurance gradations such as the Chartered Property Casualty Underwriter (“CPCU”). I also hold a professional certification from the Wind Network as an Insurance Appraiser. I also hold the designation of Certified Insurance Appraiser from the national Insurance Appraiser and Umpire Association (“IAUA”).

As a Hawaii Public Adjuster, I submit to oversight from the State of Hawaii’s Insurance Department, the SOHID Commissioner and to his very dedicated staff. I am, by design, a public advocate for the Hawaii policyholder. I have a firm duty under HRS 431:9-226 to investigate for, report to and adjust on behalf of insureds (only) as one of this state’s very few resident PAs. Lisa

Joslin, my wife and Ryan Joslin, my son, are also Hawaii Public Adjusters. Our family, along with our other fellow PAs and employees, make up the only active full-time resident PA firm in this state. We are well-versed in nearly every facet concerning Hawaii property insurance claims. We exist solely for the use and benefit of your Hawaii policyholders.

It is with the upmost respect that I offer up certain minor issue we have with HB 2320 / SB 2876. It is my hope that the esteemed committee members will agree with my position.

1) As to HB2320 / SB 2876 at page 2, lines 14 thru 17, the following should be deleted:

...

(b) No public adjuster shall charge, agree to, or accept as compensation or reimbursement any payment, commission, fee, or other thing of value equal to more than eight percent of any insurance settlement or proceeds.

...

At Issue:

1. There is no U. S. state that has such a low fee cap of 8%. Most states (30) do not have fee caps. Some states (9) have a fee cap of 10%, but only some (5) during a declared catastrophe. Several other states' fee caps (6) range from 20% down to 10% while the few remaining states (5) do not have any public adjusting regulations at all.
2. 50+ years of historical legislative experience concerning the capping of public adjuster fees has only proven one thin, people who have smaller claims or need small supplements to larger claims won't get the assistance they need.

2) As to HB2320 / SB 2876 at page 3, lines 1 thru 5, the following should be deleted:

...

(1) Not receive a commission consisting of a percentage of the total amount paid by an insurer to resolve a claim;

...

At Issue:

1. All states that have Public Adjusting laws, allow PAs to charge a percentage contingency fee with the exception of one, that being Louisiana.
2. Without the percentage fee option, a policyholder will be burdened with making payments regardless of risk.
3. The fact of the matter is, percentage fees are the norm because many consumers of insurance products could not afford to pay a public adjuster on an hourly rate basis.
4. Like hiring a professional realtor, attorney or a stockbroker, percentage fees are a part of a policyholder's decision for retaining assistance without having to turn to others, or even worse, to simply not pursue being made whole after suffering through the initial fortuitous event.

Other than those preceding comments, I wholly support the legislation and acceptance of the balance of HB 2320 and SB 2876.

Respectfully,

Robert Hugh Joslin

Robert Hugh Joslin- CPPA
National Secretary for the National Association of Public Insurance Adjusters ("NAPIA")

Direct Office Line: 808-856-3043

Hawaii State Legislature
House Consumer Protection and Commerce Committee

January 29, 2020

Filed via electronic testimony submission system

RE: HB 2320, Insurance Code Provision Updates – NAMIC’s Testimony in Support

Thank you for providing the National Association of Mutual Insurance Companies (NAMIC) an opportunity to submit written testimony to your committee for the January 30, 2020 public hearing. Unfortunately, I will not be able to attend the public hearing, because of a previously scheduled professional obligation. NAMIC’s written comments need not be read into the record, so long as they are referenced as a formal submission and are provided to the committee for consideration.

The National Association of Mutual Insurance Companies (NAMIC) is the largest property/casualty insurance trade association in the country, with more than 1,400 member companies. NAMIC supports regional and local mutual insurance companies on main streets across America and many of the country’s largest national insurers. NAMIC members represent 40 percent of the total property/casualty insurance market, serve more than 170 million policyholders, and write nearly \$225 billion in annual premiums. NAMIC has 84 members who write property/casualty/workers’ compensation in the State of Hawaii, which represents 28% of the insurance marketplace.

NAMIC is please to support HB 2320, and the consumer protection provisions in Section 1 of the bill relating to the professional services relationship between public adjusters and insurance consumers. We support this provision in the bill, because it promotes informed consumer choice and affords consumers with reasonable legal safeguards to protect themselves from undisclosed and unclear contractual provisions that could adversely impact the insurance consumer’s ability to settle insurance claims in a fair, efficient and timely manner.

The national trend across the country has been to require public adjusters to make certain written disclosures to insurance consumers, allow policyholders a brief period of time after execution of the contract to reconsider the professional services agreement and an opportunity to rescind the contract if the consumer decides that the professional services of the public adjuster are unnecessary or not beneficial to the consumer. These professional services consumer protections are reasonable, fair and in the best interest of both the consumer and the public adjuster, because misunderstandings create unnecessary and expensive legal conflict for both parties.

NAMIC has found that public adjusters and professional services contractor, who genuinely care about their clients' welfare and who appreciate the importance of clear and equitable contractual relationships, welcome these balanced and measured consumer protections. Conscientious professionals want clarity as to the legal rights and duties of the parties, because it facilitates thoughtful decision-making by consumers, protects the reputational integrity of the public adjuster community and prevents unethical professionals from being able to take advantage of insurance consumers who are dealing with the aftermath of a tragic event in their lives.

For the aforementioned reasons, NAMIC respectfully requests a **YES VOTE on this common-sense legislation to protect consumers from potentially confusing, unfair and unnecessary contractual relationships with certain public adjusters.**

Thank you for your time and consideration. Please feel free to contact me at 303.907.0587 or at crataj@namic.org, if you would like to discuss NAMIC's written testimony.

Respectfully,



Christian John Rataj, Esq.
NAMIC Senior Regional Vice President
State Government Affairs, Western Region

HB-2320

Submitted on: 1/28/2020 10:44:14 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Eddie T Bernard	Aloha Public Adjusters	Oppose	Yes

Comments:

NATIONAL ASSOCIATION OF PUBLIC INSURANCE ADJUSTERS



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January 28, 2020

Chair Rep. Roy M. Takumi
Committee on Consumer Protection & Commerce
Hawaii State Legislature
Hawaii State Capitol, Room 320

RE: House Bill 2320/Senate Bill 2876

Dear Chair Takumi and Members of the Committee:

The National Association of Public Insurance Adjusters, commonly known as NAPIA, is an association founded in 1951 of approximately 650 members, including Robert Joslin of Hawaii, who seek to advance the cause of public insurance adjusting nationwide.

As you may be aware, public insurance adjusters are not company or independent adjusters retained by insurers to handle claims. Notably, public adjusters are the only adjusters obligated with a fiduciary duty to act in the interest of both personal and commercial clients in the claims settlement process.

NAPIA fosters a stringent code of ethics governing the profession of public adjusting. For the past 65 years, NAPIA has worked with various state insurance departments, the National Association of Insurance Commissioners, the National Conference of State Legislators, attorneys general, and individual state legislatures to enact comprehensive and fair licensing laws assuring both consumer protection and the fair treatment of the public adjusting profession involved in the insurance claim process.

NAPIA has been asked to weigh in on this bill by its members given that the bill includes an 8% fee cap for public adjuster services. Of the 45 states that license public adjusters, 30 states do not have a fee cap. Of the 16 states that do have a fee cap, nine have a cap of 10%, and two others have a 10% cap for catastrophes.

While we do not oppose fee caps if they are reasonable, it is important to understand the negative impact this will have on property owners and those in business as licensed public adjusters. Under the proposal to cap fees, public adjusters will find it difficult to represent residential customers, that being

homeowners, and it will limit the availability of those who can operate in this business environment. It will not have as much of an impact on commercial property owners but will have some impact. We believe the best approach is to require insurers verify that the person they are doing business with is in fact a public adjuster. All too often, the entity hire may be confused with contractors or restoration firms offering public adjusting services and they are neither licensed nor versed in the area. Needless to say, if there is a problem with claim settlements, they often start with unauthorized firms.

NAPIA also understands there may be times when a contract must be rescinded. Because public adjusters customarily provide services immediately at the time of loss, it is important that both parties be treated fairly. It would be interesting to know whether the legislative push for alterations to rescission actually stems from a firm authorized to engage in public adjusting. NAPIA finds that many problems arise with firms operating without a license and mistaken for public adjusters.

Sincerely,

J.W. O'Connor

Jeffery W. O'Connor, SPPA

President

National Association of Public Insurance Adjusters

TESTIMONY OF ALISON UEOKA

COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Representative Roy M. Takumi, Chair
Representative Linda Ichiyama, Vice Chair

Thursday, January 30, 2020
2:30 p.m.

HB 2320

Chair Takumi, Vice Chair Ichiyama, and members of the Committee on Consumer Protection & Commerce, my name is Alison Ueoka, President of the Hawaii Insurers Council. The Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council supports the intent of this administration bill which amends various sections of the insurance code. We especially acknowledge and appreciate the Division's approach to managing the funds in the Compliance Resolution Fund as it pertains to insurance and the monies that insurers and producers pay to support the regulation of our industry.

We note that there is one technical error in the bill that we believe the Insurance Division will correct in their testimony on this bill. It appears in Section 1 on page 4, line 9 of the bill. The words "public adjuster" should be replaced with "an insured", so that a public adjuster contract shall not contain any contract term that precludes an insured from pursuing civil remedies.

Thank you for the opportunity to testify.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INSURANCE

BILL NUMBER: HB 2320; SB 2876

INTRODUCED BY: HB by SAIKI by request; SB by KOUCHI by request

EXECUTIVE SUMMARY: This omnibus Insurance Code revision bill includes an electronic filing mandate.

SYNOPSIS: As it relates to premium taxation, the bill amends section 431:7-202, HRS, to require payment by way of the NAIC Online Premium Tax for Insurance (OPTIns) or an equivalent service approved by the Insurance Commissioner.

Amends sections 431:8-313 and 431:8-315 to require electronic filing of surplus lines premium tax returns.

EFFECTIVE DATE: Upon approval.

STAFF COMMENTS: This bill is an Administration-sponsored bill from DCCA, identified as CCA-07 (20). As it relates to premium taxation, the amendments proposed are primarily technical but the bill will mandate some changes for insurers that currently pay by paper check. The Insurance Division in its justification sheet has asserted that paper checks can create inefficiency, delays, and errors in manual processing. We have no reason to disagree.

Digested 1/28/2020



January 29, 2020

Via email to cpctestimony@capitol.hawaii.gov

The Honorable Roy M. Takumi Chair, Consumer Protection and Commerce Committee and
Honorable Members of the Consumer Protection and Commerce Committee
State Capitol
415 South Beretania St
Honolulu, HI 96813

Dear Representative Takumi and Members of the Committee:

Thank you for the opportunity to address the proposed Legislative Bills **HB 2320/SB2876**, which, among other things, propose new requirements for public insurance adjusters. The American Association of Public Insurance Adjusters, "AAPIA" is a leading professional organization representing not just public adjusters but also consumers nationwide, and has worked on some of the largest issues facing the industry, including the National Association of Insurance Commissioners Public Adjuster Model Act, drafted in 2005. AAPIA works to help our member firms protect the interests of homeowners and business owners who have sustained property damage. We are currently assisting on issues with the NAIC Property and Casualty Committee Public Adjuster subgroup, and working closely with non-profit consumer groups, such as United Policyholders, on insurance coverage issues.

AAPIA supports the goals of the Governor and Legislature to help those residents of Hawaii who have suffered property damage. Those provisions of **HB 2320/SB2876** that deal with public adjusters mirror the NAIC Model Act in many ways and we believe that the bills can accomplish the goal of protecting the consumers of Hawaii. Unfortunately, we can't support the bill in its entirety due to the fee provisions in Section 431:9 (b) which would impose an across-the-board fee cap on public adjusters. Such proposed limitations on fees would hurt the consumers of Hawaii, as well as prevent the public adjusting industry from remaining a sustainable profession in Hawaii.

When it comes to public adjuster fees, the NAIC Model Act merely states that "a public adjuster may charge the insured a reasonable fee" (Section 14 NAIC Model Act). This type of language gives regulators broad oversight and power to enforce penalties on public adjusters who charge fees that are clearly excessive or unreasonable, while allowing the public adjuster to charge a higher percentage fee on small claims where the actual dollar amounts are low.

In contrast to the broader "reasonable" standard, a cap on fees would prevent public adjusters from helping consumers on small to average sized claims, since such a small percentage fee is not enough to cover time and expenses in real dollars on those claims. Public

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adjusters perform may services on each claim, and often the size of the claim does not determine the complexity of the claim. Attached to this letter is a list of services that public insurance adjusters perform, and even that list is not exhaustive.

Small claims actually make up the majority of claims. According to the 2010 Insurance Information Fact Book published by the Insurance Information Institute, **Eighty-seven percent of all claims nationwide are valued at between \$2,494 and \$7163. That same publication as updated in 2015 lists the average sized homeowners claim nationally from 2008-2012 at \$8,384.**

With a fee cap, public adjusters are not able to help homeowners with the majority of claims sustained. Empirical data has been collected to support this statement, through an independent study commissioned by AAPIA. In states with fee caps, **75% of public adjuster firms surveyed have not handled a claim of under \$8,000.00 in the last year**, and of those 25% who have done so, one half of the firms surveyed said that those claims made up less than 5% of their claims and the other 10% stated that those claims made up less than 10% of their business. Yet, claims of this size make up the vast majority of claims. *These numbers evidence that in states with fee caps, homeowners are left to fend for themselves on most claims, since public adjusters can't afford to handle these claims.*

If public adjusters are not able to offer services due to fee caps, a vacuum is created which opens the door to unscrupulous storm chasers and contractors that prey on homeowners, worsening a problem that the legislature is currently trying to address in another bill. Further, regulators have no oversight over those non-licensees, as they do over licensed public adjusters.

Public adjusters offer consumers great value during the claims process. Most people do not have the time and/or expertise to properly evaluate their insurance coverage or to estimate the actual damage and effectively negotiate with the insurance company adjuster who does have such expertise. This inequality leads to the undervaluing of claims. The consumer with these types of claims is less able to hire an attorney for representation either, due to the prohibitive cost of paying the attorney on an hourly basis or finding an attorney to charge a contingent fee on a small claim. **Historically, homeowners who used public adjusters on non-catastrophic claims received, on average, a 574%¹ higher settlement amount than homeowners who did not use a public adjuster. Instead of losing a portion of the recovery to a public adjuster, the homeowner is receiving a greater recovery than without that public adjuster.**

¹ OPPAGA report, pp. 7-8.



As advocates for homeowners who have suffered damage, we understand the problems they face after such an event. Our members are on the ground fighting for policyholders every day and have seen the heartbreak that results from loss and damage to one's home. Unfortunately, the claims process can be long and difficult, and the homeowner must navigate many obstacles to recovery. Public adjusters help homeowners through this complex process. A fee cap would take away the ability of the public adjusters to help many of the homeowners of Hawaii.

Further, not all professional services are equal. Consumers deserve the right to choose a firm they feel can best serve their needs. Firms with greater expertise and more years of experience may charge a premium for their services and the consumer has the right to make that decision to protect the largest asset that most Americans own, which is their home.

We have worked on this difficult issue in many states, and most recently in Nebraska, Maryland, Rhode Island, and Utah. It was the goal of remaining business-friendly, while at the same time protecting consumers that we believe ultimately guided those states to join the two-third majority of states and adopt public adjuster legislation without caps on fees. Also attached to this memo is a list of those two-thirds of states without fee caps.

AAPIA member Robert Joslin will be testifying in person at the hearing. We would love the opportunity to work with you going forward on this and any other issues where we can be of assistance.

Respectfully submitted,

Holly K. Soffer

Holly K. Soffer, Esq., AAPIA General Counsel
Dr. Michael A. Capilli AIC, SPPA, AIC-M,
AAPIA Chief Legislative Officer

SERVICES OF A PUBLIC ADJUSTER

- **Educate the Insured**
- **Explain and Present Additional Coverages in Policy**
- **Coordinate Emergency Service Needs**
- **Control Mitigation Efforts**
- **Evaluate Policy and Coverages**
- **Identify Claims (Existing)**
- **Unit Price Estimates & Laser Calculations (Industry Standard)**
- **Determine Causation of Losses**
- **Photographic Documentation on All Losses**
- **Prepare RCV & ACV Calculations**
- **Calculate All Coverages: ALE, BI, Contents, BPP, etc**
- **Advise When Not to File a Claim**
- **Help Recover a Claim Before Statute Expiration**
- **Complete and File All Paperwork and Provide Forms**
- **Meet with Contractors on All Appointments Including Engineers and Industry Experts**
- **Completely Memorialize the Loss**
- **Professional Policy Language for Presentation of the Loss**
- **Protect the Insured from Unnecessary Denials**
- **Provide a Claimant Perspective for All Coverages**
- **Eliminate the Emotional Handling of a Claim**

- **Independent View of the Settlement for a Non-Biased Opinion**
- **Provide a Documented Witness to the Entire Claim Process**
- **Proper Material Identification**
- **Evaluate and Represent Post Restored Items and Building Components**
- **Allow Clients to Continue with Their Life**
- **Inventory and Help Recreate Total Losses**
- **Provide Access to Satellite Views of Commercial Properties if Necessary**
- **Mortgage Company Follow Through After Claim Has Been Paid**



STATES WITHOUT ACROSS THE BOARD FEE CAPS FOR PUBLIC ADJUSTERS

Arizona
California
Colorado
Georgia
Hawaii
Idaho
Illinois
Indiana
Kentucky
Louisiana**
Maine
Maryland
Minnesota
Missouri
Montana
Nebraska
Nevada
New Hampshire
New Jersey
New Mexico
North Carolina
North Dakota
Ohio
Oklahoma
Oregon
Pennsylvania
Rhode Island
South Carolina
Utah
Vermont
Virginia
Washington
West Virginia
Wisconsin
Wyoming

** Percentage fees not allowed

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HB-2320

Submitted on: 1/28/2020 10:14:47 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Stephen Hadhazi	Individual	Oppose	Yes

Comments:

HB-2320

Submitted on: 1/28/2020 10:55:03 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
James Campbell	Individual	Oppose	Yes

Comments:

Please do not pass this bill.

HB-2320

Submitted on: 1/28/2020 10:11:44 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Robert Hugh Joslin - CPPA	Individual	Support	Yes

Comments:

I will be submitting written comments and testimony to the CPC for their consideration.

LATE

January 29, 2020

The Honorable Roy M. Takumi, Chair
The Honorable Linda Ichiyama, Vice Chair
House Committee on Consumer Protection & Commerce

Re: HB 2320 – Relating to Insurance

Dear Chair Takumi, Vice Chair Ichiyama, and Committee Members:

Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 2320, which amends various portions of Hawaii Revised Statutes title 24 to update and improve existing Insurance Code provisions.

HMSA supports this bill. However, we respectfully request the committee consider amending the portion of Section 14 that appears on pages 29 – 30, aimed at prohibiting discriminatory wellness programs. Wellness programs are currently governed by a host of Federal rules. Having a separate requirement under State law is unnecessary and could potentially lead to confusion, to the extent that the rules conflict with one another. We recommend that the section either be removed or amended as follows:

- (E) A reward under a wellness program established under a health care plan that is consistent with Federal law. [~~favors an individual if the wellness program meets the following requirements:~~
- ~~(i) The wellness program is reasonably designed to promote health or prevent disease;~~
 - ~~(ii) An individual has an opportunity to qualify for the reward at least once a year;~~
 - ~~(iii) The reward is available for all similarly situated individuals;~~
 - ~~(iv) The wellness program has alternative standards for individuals who are unable to obtain the reward because of a health factor;~~
 - ~~(v) Alternative standards are available for an individual who is unable to participate in a reward program because of a health condition;~~
 - ~~(vi) The insurer provides information explaining the standard for achieving the reward and discloses the alternative standards; and~~
 - ~~(vii) The total rewards for all wellness programs under the health insurance policy do not exceed twenty per cent of the cost of coverage;]~~

Thank you for allowing us to testify on HB 2320. Your consideration of our comments is appreciated.

Sincerely,



Jennifer Diesman
Senior Vice-President-Government Relations

HB-2320

Submitted on: 1/29/2020 7:03:56 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Kevin	Individual	Oppose	Yes

Comments:

LATE

HB-2320

Submitted on: 1/30/2020 11:38:48 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Travis Gilmore	Individual	Oppose	Yes

Comments: